

AMENDED IN ASSEMBLY APRIL 4, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1260**

---

**Introduced by Assembly Member Medina**

February 22, 2013

---

An act to add Section 14633.27 to the Government Code, relating to businesses.

LEGISLATIVE COUNSEL'S DIGEST

AB 1260, as amended, Medina. California—~~family-owned~~ *family-owned* business.

~~Existing law creates the Department of General Services that provides centralized services, including, but not limited to, planning, acquisition, construction, and maintenance of state buildings and property; purchasing; printing; architectural services; administrative hearings; and accounting services.~~

*Existing law provides various definitions for various purposes.*

This bill would define a California—~~family-owned~~ *family-owned* business *for purposes of the Government Code*.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares the following:
- 2 (a) ~~The participation by all citizens in the affairs of the State of~~
- 3 ~~California in every possible way serves a public purpose and~~
- 4 ~~benefits the state.~~

1 ~~(b) It is essential that opportunity be provided for full~~  
2 ~~participation in our free enterprise system by California family~~  
3 ~~owned business enterprises.~~

4 ~~(c) California's 1.4 million family owned businesses employ~~  
5 ~~nearly 7 million people, invest more in their employees in terms~~  
6 ~~of training and benefits, promote more women to high-level~~  
7 ~~management positions, and are less likely to lay off employees or~~  
8 ~~downsize in tough economic times.~~

9 *(a) In 2007, California was home to 1.4 million family-owned*  
10 *businesses, which employed nearly 7 million people.*

11 *(b) Family-owned business have been recognized through*  
12 *numerous academic studies as having unique characteristics.*  
13 *Those studies verify that family-owned businesses invest more in*  
14 *their employees in terms of training and benefits, promote more*  
15 *women to high-level management positions, and are less likely to*  
16 *lay off employees or downsize in tough economic times.*

17 ~~(d)~~  
18 *(c) California family owned businesses continually demonstrate*  
19 *extraordinary commitment to the communities in which they*  
20 *operate because they are headquartered in the state. California*  
21 ~~family-owned~~ *family-owned* ~~businesses have been shown to engage~~  
22 *in high levels of local, community-based philanthropic giving, and*  
23 *are strong stewards of the environment by virtue of their long-term*  
24 *perspective and sense of duty to past, present, and future*  
25 *generations within the state.*

26 SEC. 2. It is the intent of the Legislature to enact legislation  
27 that would aid, counsel, assist, and protect, to the maximum extent  
28 feasible, the interests of California ~~family-owned~~ *family-owned*  
29 ~~businesses in order to preserve free competitive enterprise and~~  
30 ~~support family owned enterprises.~~

31 SEC. 3. Section ~~14633~~27 is added to the Government Code,  
32 to read:

33 ~~14633:~~

34 27. For the purposes of this code, "California ~~family-owned~~  
35 *family-owned* business" means a business that is independently  
36 owned and operated as a privately held enterprise by members of  
37 a family or a partnership of families that maintains its principal  
38 office in California, has been in business for more than 10 years,  
39 and meets both of the following requirements:

- 1 (a) Strategic influence, *including, but not limited to, being active*  
2 *in the management, continuing to shape the culture of the business,*  
3 *or serving as board members or advisors,* is exercised by family  
4 members on the management of the business, ~~including, but not~~  
5 ~~limited to, being active in the management, continuing to shape~~  
6 ~~the culture of the business, or serving as board members or~~  
7 ~~advisors.~~  
8 (b) The business is able to demonstrate continuity across  
9 generations or the intent for continuity across generations.

O